

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

ALERDING CASTOR HEWITT LLP,)	
)	
Plaintiff,)	
)	
v.)	No. 1:16-cv-02453-JPH-MJD
)	
PAUL FLETCHER,)	
CAROLE WOCKNER,)	
)	
Defendants.)	

ORDER ON PREJUDGMENT INTEREST

"Prejudgment interest is intended to compensate a plaintiff for delay in receiving money it should have received much earlier or should not have been required to spend in the first place." *BRC Rubber & Plastics, Inc., Continental Carbon Co.*, 981 F.3d 618, 635 (7th Cir. 2020). In diversity-jurisdiction cases like this one, state law governs "the propriety of awarding prejudgment interest." *Id.* "Under Indiana law, interest may be awarded where the value of the damage is not in dispute and the damages are ascertainable in accordance with fixed rules of evidence and accepted standards of valuation at the time the damages accrued." *Id.* "This standard leaves considerable play in the joints," so prejudgment interest calculations are committed to the Court's discretion. *Id.*

Here, the jury returned a verdict for Plaintiff on its breach of contract claim and awarded actual damages of \$67,423.24. That verdict entitles Plaintiff to an award of prejudgment interest because "a party needs to show only that the obligor breached the contract by failing to pay the appropriate

amount by a particular time." *Care Group Heart Hospital, LLC v. Sawyer*, 93 N.E.3d 745, 757 (Ind. 2018).

"Prejudgment interest is computed from the time the principal amount was demanded or due." *BRC Rubber*, 981 F.3d at 636; see Indiana Code § 24-4.6-1-103. Here, Plaintiff's first invoice demanding payment of the entire amount sought in this case is dated July 21, 2016, with payment due fifteen days later. Plaintiff's trial exhibit 45.¹ Prejudgment interest is therefore computed from August 5, 2016.

The parties' agreement did not set an interest rate for unpaid balances, see dkt. 1-2 at 7–8; Plaintiff's trial exhibit 12, so the statutory rate of 8% applies, Indiana Code § 24-4.6-1-103; *BRC Rubber*, 981 F.3d at 636 ("Where the parties have not agreed to a specified interest rate, Indiana law directs courts to use the rate of 8% per year.").

At an 8% rate, the actual damages of \$67,423.24 accrued prejudgment interest of \$14.78 per day ($.08/365 \times 67,423.24$). See *id.* (affirming prejudgment interest similarly calculated "per diem through the date of judgment"). August 5, 2016 through September 16, 2021—the date of judgment—is 1,869 days. Plaintiff is therefore entitled to \$27,623.82 in prejudgment interest.

¹ While some of the awarded damages may have been billed on previous invoices, that breakdown is unascertainable and therefore cannot support prejudgment interest from an earlier date. See *BRC Rubber*, 981 F.3d at 636; *Cincinnati Ins. Co. v. BACT Holdings, Inc.*, 723 N.E.2d 436, 441 (Ind. Ct. App. 2000) ("Prejudgment interest is awarded where the damages are ascertainable in accordance with fixed rules of evidence and accepted standards of valuation at the time the damages accrued. . . . Yet, it has been allowed even where some degree of judgment must be used to measure damages.").

Final judgment in accordance with the jury's verdict and this order shall
issue by separate entry.

SO ORDERED.

Date: 9/16/2021



James Patrick Hanlon
United States District Judge
Southern District of Indiana

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